

REMARKS/ARGUMENTS

Reconsideration and withdrawal of the rejections of the application are respectfully requested in view of the amendments and remarks herewith, which place the application into condition for allowance. The present amendment is being made to facilitate prosecution of the application.

I. STATUS OF THE CLAIMS AND FORMAL MATTERS

Claims 1-24 are pending. Claims 1, 4, 7, 9, 11, 14, 17, 19 and 20-24 are independent. Claims 21-24 are hereby amended. No new matter has been introduced. Support for this amendment is provided throughout the Specification. Changes to claims are not made for the purpose of patentability within the meaning of 35 U.S.C. §101, §102, §103, or §112. Rather, these changes are made simply for clarification and to round out the scope of protection to which Applicants are entitled.

Claim 24 has been amended, thereby rendering the 35 U.S.C. §112, second paragraph rejection moot.

A Terminal Disclaimer has been filed to obviate the non-statutory Obviousness-type Double Patenting rejection

II. REJECTIONS UNDER 35 U.S.C. §101

Claims 1-24 were rejected under 35 U.S.C. §101.

Claims 1-20 were rejected were rejected for being directed towards non-statutory subject matter. Applicants respectfully disagree. In view of the interim guidelines regarding 35 U.S.C. §101 rejections as stated on page 2 of the Office Action, Applicants submit that the

recitation "prediction calculation means for prediction-calculating the input digital signal by a prediction method corresponding to the class to generate a digital signal converted from the input digital signal" of claim 1 refers to a useful process and result which meets the guidelines of statutory subject matter of a claimed invention under 35 U.S.C. §101 laws.

Claims 2-20 are directed to statutory subject matter for similar reasons as per claim 1.

Claims 21-24 have been amended, thereby obviating the 35 U.S.C. §101 rejections.

Applicants respectfully request reconsideration and withdrawal of the 35 U.S.C. §101 rejections.

Therefore, Applicants submit that claims 1-24 are allowable.

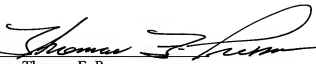
CONCLUSION

Please charge any additional fees that may be needed, and credit any overpayment, to our Deposit Account No. 50-0320.

In view of the foregoing remarks, it is believed that all of the claims in this application are patentable and Applicants respectfully request early passage to issue of the present application.

Respectfully submitted,

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